

Representative Aaron Tilton proposes the following substitute bill:

EQUALIZATION OF SCHOOL CAPITAL

OUTLAY FUNDING

2008 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Dan R. Eastman

House Sponsor: Aaron Tilton

LONG TITLE

General Description:

This bill amends the Public Education Capital Outlay Act and the Property Tax Act to modify school capital outlay funding.

Highlighted Provisions:

This bill:

- defines terms;
- changes the allocation methodology for the Capital Outlay Foundation Program;
- appropriates funding to the State Board of Education for the Capital Outlay Foundation Program and the Capital Outlay Enrollment Growth Program;
- creates the Capital Outlay Equalization Fund;
- requires school districts to impose a basic capital outlay levy that is equalized and deposits revenues from the basic capital outlay levy into the Capital Outlay Equalization Fund;
- makes allocations to school districts from the Capital Outlay Equalization Fund using certain criteria;
- creates a method for the calculation of a certified tax rate for the combined capital levy for school districts for purposes of truth in taxation; and



- ▶ makes technical corrections.

Monies Appropriated in this Bill:

This bill appropriates:

- ▶ as an ongoing appropriation subject to future budget constraints, \$27,288,900 from the Uniform School Fund for fiscal year 2008-09 to the State Board of Education;
- and
- ▶ \$15,000,000 from the Uniform School Fund for fiscal year 2008-09 only to the State Board of Education.

Other Special Clauses:

This bill takes effect on July 1, 2008.

This bill coordinates with H.B. 1, Minimum School Program Base Budget Amendments, by providing superseding amendments.

Utah Code Sections Affected:

AMENDS:

- 11-13-302**, as last amended by Laws of Utah 2007, Chapter 108
- 17-34-3**, as last amended by Laws of Utah 2005, First Special Session, Chapter 9
- 17C-1-408**, as renumbered and amended by Laws of Utah 2006, Chapter 359
- 53A-2-103**, as last amended by Laws of Utah 2002, Chapter 301
- 53A-2-114**, as last amended by Laws of Utah 1996, Chapter 326
- 53A-2-115**, as last amended by Laws of Utah 1996, Chapter 326
- 53A-16-106**, as last amended by Laws of Utah 1994, Chapter 12
- 53A-16-110**, as last amended by Laws of Utah 2004, Chapter 371
- 53A-17a-133**, as last amended by Laws of Utah 2006, Chapter 26
- 53A-19-102**, as last amended by Laws of Utah 2007, Chapter 92
- 53A-19-105**, as last amended by Laws of Utah 2003, Chapter 122
- 53A-21-102**, as last amended by Laws of Utah 2003, Chapters 199 and 320
- 59-2-908**, as last amended by Laws of Utah 1995, Chapter 278
- 59-2-913**, as last amended by Laws of Utah 2007, Chapter 107
- 59-2-914**, as last amended by Laws of Utah 1995, Chapter 278
- 59-2-918**, as last amended by Laws of Utah 2006, Chapters 26 and 104
- 59-2-924**, as last amended by Laws of Utah 2007, Chapters 107 and 329

57 **59-2-1330**, as last amended by Laws of Utah 2002, Chapters 196 and 240

58 ENACTS:

59 **53A-21-101.5**, Utah Code Annotated 1953

60 **53A-21-201**, Utah Code Annotated 1953

61 **53A-21-202**, Utah Code Annotated 1953

62 **53A-21-301**, Utah Code Annotated 1953

63 **53A-21-302**, Utah Code Annotated 1953

64 **53A-21-401**, Utah Code Annotated 1953

65 **53A-21-402**, Utah Code Annotated 1953

66 **53A-21-403**, Utah Code Annotated 1953

67 **53A-21-404**, Utah Code Annotated 1953

68 **53A-21-502**, Utah Code Annotated 1953

69 **59-2-924.2**, Utah Code Annotated 1953

70 **59-2-924.3**, Utah Code Annotated 1953

71 RENUMBERS AND AMENDS:

72 **53A-21-601**, (Renumbered from 53A-21-104, as last amended by Laws of Utah 2007,
73 Chapter 344)

74 **53A-21-501**, (Renumbered from 53A-21-105, as last amended by Laws of Utah 2007,
75 Chapter 2)

76 REPEALS:

77 **53A-21-103**, as last amended by Laws of Utah 2003, Chapter 320

78 **53A-21-103.5**, as last amended by Laws of Utah 2005, Chapters 171 and 184

80 *Be it enacted by the Legislature of the state of Utah:*

81 Section 1. Section **11-13-302** is amended to read:

82 **11-13-302. Payment of fee in lieu of ad valorem property tax by certain energy**
83 **suppliers -- Method of calculating -- Collection -- Extent of tax lien.**

84 (1) (a) Each project entity created under this chapter that owns a project and that sells
85 any capacity, service, or other benefit from it to an energy supplier or suppliers whose tangible
86 property is not exempted by Utah Constitution Article XIII, Section 3, from the payment of ad
87 valorem property tax, shall pay an annual fee in lieu of ad valorem property tax as provided in

88 this section to each taxing jurisdiction within which the project or any part of it is located.

89 (b) For purposes of this section, "annual fee" means the annual fee described in
90 Subsection (1)(a) that is in lieu of ad valorem property tax.

91 (c) The requirement to pay an annual fee shall commence:

92 (i) with respect to each taxing jurisdiction that is a candidate receiving the benefit of
93 impact alleviation payments under contracts or determination orders provided for in Sections
94 11-13-305 and 11-13-306, with the fiscal year of the candidate following the fiscal year of the
95 candidate in which the date of commercial operation of the last generating unit, other than any
96 generating unit providing additional project capacity, of the project occurs, or, in the case of
97 any facilities providing additional project capacity, with the fiscal year of the candidate
98 following the fiscal year of the candidate in which the date of commercial operation of the
99 generating unit providing the additional project capacity occurs; and

100 (ii) with respect to any taxing jurisdiction other than a taxing jurisdiction described in
101 Subsection (1)(c)(i), with the fiscal year of the taxing jurisdiction in which construction of the
102 project commences, or, in the case of facilities providing additional project capacity, with the
103 fiscal year of the taxing jurisdiction in which construction of those facilities commences.

104 (d) The requirement to pay an annual fee shall continue for the period of the useful life
105 of the project or facilities.

106 (2) (a) The annual fees due a school district shall be as provided in Subsection (2)(b)
107 because the ad valorem property tax imposed by a school district and authorized by the
108 Legislature under Section 53A-17a-135 represents both:

109 (i) a levy mandated by the state for the state minimum school program under Section
110 53A-17a-135; and

111 (ii) local levies for capital outlay, maintenance, transportation, and other purposes
112 under Sections 11-2-7, 53A-16-107, 53A-16-110, 53A-17a-126, 53A-17a-127, 53A-17a-133,
113 53A-17a-134, 53A-17a-143, and 53A-17a-145~~[, and 53A-21-103]~~.

114 (b) The annual fees due a school district shall be as follows:

115 (i) the project entity shall pay to the school district an annual fee for the state minimum
116 school program at the rate imposed by the school district and authorized by the Legislature
117 under Subsection 53A-17a-135(1); and

118 (ii) for all other local property tax levies authorized to be imposed by a school district,

the project entity shall pay to the school district either:

(A) an annual fee; or

(B) impact alleviation payments under contracts or determination orders provided for in Sections 11-13-305 and 11-13-306.

(3) (a) An annual fee due a taxing jurisdiction for a particular year shall be calculated by multiplying the tax rate or rates of the jurisdiction for that year by the product obtained by multiplying the fee base or value determined in accordance with Subsection (4) for that year of the portion of the project located within the jurisdiction by the percentage of the project which is used to produce the capacity, service, or other benefit sold to the energy supplier or suppliers.

(b) As used in this section, "tax rate," when applied in respect to a school district, includes any assessment to be made by the school district under Subsection (2) or Section 63-51-6.

(c) There is to be credited against the annual fee due a taxing jurisdiction for each year, an amount equal to the debt service, if any, payable in that year by the project entity on bonds, the proceeds of which were used to provide public facilities and services for impact alleviation in the taxing jurisdiction in accordance with Sections 11-13-305 and 11-13-306.

(d) The tax rate for the taxing jurisdiction for that year shall be computed so as to:

(i) take into account the fee base or value of the percentage of the project located within the taxing jurisdiction determined in accordance with Subsection (4) used to produce the capacity, service, or other benefit sold to the supplier or suppliers; and

(ii) reflect any credit to be given in that year.

(4) (a) Except as otherwise provided in this section, the annual fees required by this section shall be paid, collected, and distributed to the taxing jurisdiction as if:

(i) the annual fees were ad valorem property taxes; and

(ii) the project were assessed at the same rate and upon the same measure of value as taxable property in the state.

(b) (i) Notwithstanding Subsection (4)(a), for purposes of an annual fee required by this section, the fee base of a project may be determined in accordance with an agreement among:

(A) the project entity; and

(B) any county that:

150 (I) is due an annual fee from the project entity; and
151 (II) agrees to have the fee base of the project determined in accordance with the
152 agreement described in this Subsection (4).
153 (ii) The agreement described in Subsection (4)(b)(i):
154 (A) shall specify each year for which the fee base determined by the agreement shall be
155 used for purposes of an annual fee; and
156 (B) may not modify any provision of this chapter except the method by which the fee
157 base of a project is determined for purposes of an annual fee.
158 (iii) For purposes of an annual fee imposed by a taxing jurisdiction within a county
159 described in Subsection (4)(b)(i)(B), the fee base determined by the agreement described in
160 Subsection (4)(b)(i) shall be used for purposes of an annual fee imposed by that taxing
161 jurisdiction.
162 (iv) (A) If there is not agreement as to the fee base of a portion of a project for any
163 year, for purposes of an annual fee, the State Tax Commission shall determine the value of that
164 portion of the project for which there is not an agreement:
165 (I) for that year; and
166 (II) using the same measure of value as is used for taxable property in the state.
167 (B) The valuation required by Subsection (4)(b)(iv)(A) shall be made by the State Tax
168 Commission in accordance with rules made by the State Tax Commission.
169 (c) Payments of the annual fees shall be made from:
170 (i) the proceeds of bonds issued for the project; and
171 (ii) revenues derived by the project entity from the project.
172 (d) (i) The contracts of the project entity with the purchasers of the capacity, service, or
173 other benefits of the project whose tangible property is not exempted by Utah Constitution
174 Article XIII, Section 3, from the payment of ad valorem property tax shall require each
175 purchaser, whether or not located in the state, to pay, to the extent not otherwise provided for,
176 its share, determined in accordance with the terms of the contract, of these fees.
177 (ii) It is the responsibility of the project entity to enforce the obligations of the
178 purchasers.
179 (5) (a) The responsibility of the project entity to make payment of the annual fees is
180 limited to the extent that there is legally available to the project entity, from bond proceeds or

revenues, monies to make these payments, and the obligation to make payments of the annual fees is not otherwise a general obligation or liability of the project entity.

(b) No tax lien may attach upon any property or money of the project entity by virtue of any failure to pay all or any part of an annual fee.

(c) The project entity or any purchaser may contest the validity of an annual fee to the same extent as if the payment was a payment of the ad valorem property tax itself.

(d) The payments of an annual fee shall be reduced to the extent that any contest is successful.

(6) (a) The annual fee described in Subsection (1):

(i) shall be paid by a public agency that:

(A) is not a project entity; and

(B) owns an interest in a facility providing additional project capacity if the interest is otherwise exempt from taxation pursuant to Utah Constitution, Article XIII, Section 3; and

(ii) for a public agency described in Subsection (6)(a)(i), shall be calculated in accordance with Subsection (6)(b).

(b) The annual fee required under Subsection (6)(a) shall be an amount equal to the tax rate or rates of the applicable taxing jurisdiction multiplied by the product of the following:

(i) the fee base or value of the facility providing additional project capacity located within the jurisdiction;

(ii) the percentage of the ownership interest of the public agency in the facility; and

(iii) the portion, expressed as a percentage, of the public agency's ownership interest that is attributable to the capacity, service, or other benefit from the facility that is sold by the public agency to an energy supplier or suppliers whose tangible property is not exempted by Utah Constitution, Article XIII, Section 3, from the payment of ad valorem property tax.

(c) A public agency paying the annual fee pursuant to Subsection (6)(a) shall have the obligations, credits, rights, and protections set forth in Subsections (1) through (5) with respect to its ownership interest as though it were a project entity.

Section 2. Section **17-34-3** is amended to read:

17-34-3. Taxes or service charges.

(1) (a) If a county furnishes the municipal-type services and functions described in Section 17-34-1 to areas of the county outside the limits of incorporated cities or towns, the

entire cost of the services or functions so furnished shall be defrayed from funds that the county has derived from:

(i) taxes that the county may lawfully levy or impose outside the limits of incorporated towns or cities;

(ii) service charges or fees the county may impose upon the persons benefited in any way by the services or functions; or

(iii) a combination of these sources.

(b) As the taxes or service charges or fees are levied and collected, they shall be placed in a special revenue fund of the county and shall be disbursed only for the rendering of the services or functions established in Section 17-34-1 within the unincorporated areas of the county or as provided in Subsection 10-2-121(2).

(2) For the purpose of levying taxes, service charges, or fees provided in this section, the county legislative body may establish a district or districts in the unincorporated areas of the county.

(3) Nothing contained in this chapter may be construed to authorize counties to impose or levy taxes not otherwise allowed by law.

~~[(4) (a) A county required under Subsection 17-34-1(4) to provide advanced life support and paramedic services to the unincorporated area of the county and that previously paid for those services through a countywide levy may increase its levy under Subsection (1)(a)(i) to generate in the unincorporated area of the county the same amount of revenue as the county loses from that area due to the required decrease in the countywide certified tax rate under Subsection 59-2-924(2)(k)(i).]~~

~~[(b) An increase in tax rate under Subsection (4)(a) is exempt from the notice and hearing requirements of Sections 59-2-918 and 59-2-919.]~~

~~[(5)]~~ (4) Notwithstanding any other provision of this chapter, a county providing fire, paramedic, and police protection services in a designated recreational area, as provided in Subsection 17-34-1(5), may fund those services from the county general fund with revenues derived from both inside and outside the limits of cities and towns, and the funding of those services is not limited to unincorporated area revenues.

Section 3. Section **17C-1-408** is amended to read:

17C-1-408. Base taxable value to be adjusted to reflect other changes.

(1) (a) (i) As used in this Subsection (1), "qualifying decrease" means:

(A) a decrease of more than 20% from the previous tax year's levy; or

(B) a cumulative decrease over a consecutive five-year period of more than 100% from the levy in effect at the beginning of the five-year period.

(ii) The year in which a qualifying decrease under Subsection (1)(a)(i)(B) occurs is the fifth year of the five-year period.

(b) If there is a qualifying decrease in the minimum basic school levy under Section 59-2-902 that would result in a reduction of the amount of tax increment to be paid to an agency:

(i) the base taxable value of taxable property within the project area shall be reduced in the year of the qualifying decrease to the extent necessary, even if below zero, to provide the agency with approximately the same amount of tax increment that would have been paid to the agency each year had the qualifying decrease not occurred; and

(ii) the amount of tax increment paid to the agency each year for the payment of bonds and indebtedness may not be less than what would have been paid to the agency if there had been no qualifying decrease.

(2) (a) The amount of the base taxable value to be used in determining tax increment shall be:

(i) increased or decreased by the amount of an increase or decrease that results from:

(A) a statute enacted by the Legislature or by the people through an initiative;

(B) a judicial decision;

(C) an order from the State Tax Commission to a county to adjust or factor its assessment rate under Subsection 59-2-704(2);

(D) a change in exemption provided in Utah Constitution Article XIII, Section 2, or Section 59-2-103; or

(E) an increase or decrease in the percentage of fair market value, as defined under Section 59-2-102; and

(ii) reduced for any year to the extent necessary, even if below zero, to provide an agency with approximately the same amount of money the agency would have received without a reduction in the county's certified tax rate if:

(A) in that year there is a decrease in the county's certified tax rate under Subsection

[~~59-2-924(2)(c) or (d)(i)~~] 59-2-924.2(2) or (3)(a);

(B) the amount of the decrease is more than 20% of the county's certified tax rate of the previous year; and

(C) the decrease would result in a reduction of the amount of tax increment to be paid to the agency.

(b) Notwithstanding an increase or decrease under Subsection (2)(a), the amount of tax increment paid to an agency each year for payment of bonds or other indebtedness may not be less than would have been paid to the agency each year if there had been no increase or decrease under Subsection (2)(a).

Section 4. Section **53A-2-103** is amended to read:

53A-2-103. Transfer of property to new school district -- Rights and obligations of new school board -- Outstanding indebtedness -- Special tax.

(1) On July 1 following the approval of the creation of a new school district under Section 53A-2-102, the local school boards of the former districts shall convey and deliver all school property to the local school board of the new district. Title vests in the new board. All rights, claims, and causes of action to or for the property, for the use or the income from the property, for conversion, disposition, or withholding of the property, or for any damage or injury to the property vest at once in the new board.

(2) The new board may bring and maintain actions to recover, protect, and preserve the property and rights of the district schools and to enforce contracts.

(3) The new board shall assume and be liable for all outstanding debts and obligations of each of the former school districts.

(4) All of the bonded indebtedness, outstanding debts, and obligations of a former district, which cannot be reasonably paid from the assets of the former district, shall be paid by a special tax levied by the new board as needed. The tax shall be levied upon the property within the former district which was liable for the indebtedness at the time of consolidation. If bonds are approved in the new district under Section 53A-18-102, the special tax shall be discontinued and the bonded indebtedness paid as any other bonded indebtedness of the new district.

(5) Bonded indebtedness of a former district which has been refunded shall be paid in the same manner as that which the new district assumes under Section 53A-18-101.

(6) State funds received by the new district under Section ~~[53A-21-103]~~ 53A-21-202 may be applied toward the payment of outstanding bonded indebtedness of a former district in the same proportion as the bonded indebtedness of the territory within the former district bears to the total bonded indebtedness of the districts combined.

Section 5. Section **53A-2-114** is amended to read:

53A-2-114. Additional levies -- School board options to abolish or continue after consolidation.

(1) If a school district which has approved an additional levy under Section 53A-16-110, 53A-17a-133, 53A-17a-134, or 53A-17a-145~~[, or 53A-21-103]~~ is consolidated with a district which does not have such a levy, the board of education of the consolidated district may choose to abolish the levy, or apply it in whole or in part to the entire consolidated district.

(2) If the board chooses to apply any part of the levy to the entire district, the levy may continue in force for no more than three years, unless approved by the electors of the consolidated district in the manner set forth in Section 53A-16-110.

Section 6. Section **53A-2-115** is amended to read:

53A-2-115. Additional levies in transferred territory -- Transferee board option to abolish or continue.

If two or more districts undergo restructuring that results in a district receiving territory that increases the population of the district by at least 25%, and if the transferred territory was, at the time of transfer, subject to an additional levy under Section 53A-16-110, 53A-17a-133, 53A-17a-134, or 53A-17a-145~~[, or 53A-21-103]~~, the board of education of the transferee district may abolish the levy or apply the levy in whole or in part to the entire restructured district. Any such levy made applicable to the entire district may continue in force for no more than five years, unless approved by the electors of the restructured district in the manner set forth in Section 53A-16-110.

Section 7. Section **53A-16-106** is amended to read:

53A-16-106. Annual certification of tax rate proposed by local school board -- Inclusion of school district budget -- Modified filing date.

(1) Prior to June 22 of each year, each local school board shall certify to the county legislative body in which the district is located, on forms prescribed by the State Tax

Commission, the proposed tax rate approved by the local school board.

(2) A copy of the district's budget, including items under Section 53A-19-101, and a certified copy of the local school board's resolution which approved the budget and set the tax rate for the subsequent school year beginning July 1 shall accompany the tax rate.

(3) If the tax rate approved by the board is in excess of the "certified tax rate" as defined under Subsection 59-2-924[(2)] (3)(a), the date for filing the tax rate and budget adopted by the board shall be that established under Section 59-2-919.

Section 8. Section **53A-16-110** is amended to read:

53A-16-110. Special tax to buy school building sites, build and furnish schoolhouses, or improve school property.

(1) (a) A local school board may, by following the process for special elections established in Sections 20A-1-203 and 20A-1-204, call a special election to determine whether a special property tax should be levied for one or more years to buy building sites, build and furnish schoolhouses, or improve the school property under its control.

(b) The tax may not exceed .2% of the taxable value of all taxable property in the district in any one year.

(2) The board shall give reasonable notice of the election and follow the same procedure used in elections for the issuance of bonds.

(3) If a majority of those voting on the proposition vote in favor of the tax, it is levied in addition to ~~[those]~~ a levy authorized under ~~[Sections]~~ Section 53A-17a-145 ~~[and 53A-21-103]~~ and computed on the valuation of the county assessment roll for that year.

(4) (a) Within 20 days after the election, the board shall certify the amount of the approved tax to the governing body of the county in which the school district is located.

(b) The governing body shall acknowledge receipt of the certification and levy and collect the special tax.

(c) It shall then distribute the collected taxes to the business administrator of the school district at the end of each calendar month.

(5) The special tax becomes due and delinquent and attaches to and becomes a lien on real and personal property at the same time as state and county taxes.

Section 9. Section **53A-17a-133** is amended to read:

53A-17a-133. State-supported voted leeway program authorized -- Election

requirements -- State guarantee -- Reconsideration of the program.

(1) An election to consider adoption or modification of a voted leeway program is required if initiative petitions signed by 10% of the number of electors who voted at the last preceding general election are presented to the local school board or by action of the board.

(2) (a) (i) To establish a voted leeway program, a majority of the electors of a district voting at an election in the manner set forth in Section 53A-16-110 must vote in favor of a special tax.

(ii) The tax rate may not exceed .002 per dollar of taxable value.

(b) The district may maintain a school program which exceeds the cost of the program referred to in Section 53A-17a-145 with this voted leeway.

(c) In order to receive state support the first year, a district must receive voter approval no later than December 1 of the year prior to implementation.

(3) (a) Under the voted leeway program, the state shall contribute an amount sufficient to guarantee \$17.54 per weighted pupil unit for each .0001 of the first .0016 per dollar of taxable value.

(b) The same dollar amount guarantee per weighted pupil unit for the .0016 per dollar of taxable value under Subsection (3)(a) shall apply to the board-approved leeway authorized in Section 53A-17a-134, so that the guarantee shall apply up to a total of .002 per dollar of taxable value if a school district levies a tax rate under both programs.

(c) (i) Beginning July 1, 2005, the \$17.54 guarantee under Subsections (3)(a) and (b) shall be indexed each year to the value of the weighted pupil unit by making the value of the guarantee equal to .008544 times the value of the prior year's weighted pupil unit.

(ii) The guarantee shall increase by .0005 times the value of the prior year's weighted pupil unit for each succeeding year until the guarantee is equal to .010544 times the value of the prior year's weighted pupil unit.

(d) (i) The amount of state guarantee money to which a school district would otherwise be entitled to under this Subsection (3) may not be reduced for the sole reason that the district's levy is reduced as a consequence of changes in the certified tax rate under Section 59-2-924 pursuant to changes in property valuation.

(ii) Subsection (3)(d)(i) applies for a period of two years following any such change in the certified tax rate.

(4) (a) An election to modify an existing voted leeway program is not a reconsideration of the existing program unless the proposition submitted to the electors expressly so states.

(b) A majority vote opposing a modification does not deprive the district of authority to continue an existing program.

(c) If adoption of a leeway program is contingent upon an offset reducing other local school board levies, the board must allow the electors, in an election, to consider modifying or discontinuing the program prior to a subsequent increase in other levies that would increase the total local school board levy.

(d) Nothing contained in this section terminates, without an election, the authority of a school district to continue an existing voted leeway program previously authorized by the voters.

(5) Notwithstanding Section 59-2-918, a school district may budget an increased amount of ad valorem property tax revenue derived from a voted leeway imposed under this section in addition to revenue from new growth as defined in Subsection 59-2-924~~(2)~~ (4), without having to comply with the advertisement requirements of Section 59-2-918, if the voted leeway is approved:

(a) in accordance with Section 53A-16-110 on or after January 1, 2003; and

(b) within the four-year period immediately preceding the year in which the school district seeks to budget an increased amount of ad valorem property tax revenue derived from the voted leeway.

(6) Notwithstanding Section 59-2-919, a school district may levy a tax rate under this section that exceeds the certified tax rate without having to comply with the advertisement requirements of Section 59-2-919 if:

(a) the levy exceeds the certified tax rate as the result of a school district budgeting an increased amount of ad valorem property tax revenue derived from a voted leeway imposed under this section; and

(b) if the voted leeway was approved:

(i) in accordance with Section 53A-16-110 on or after January 1, 2003; and

(ii) within the four-year period immediately preceding the year in which the school district seeks to budget an increased amount of ad valorem property tax revenue derived from the voted leeway.

Section 10. Section **53A-19-102** is amended to read:

53A-19-102. Local school boards budget procedures.

(1) Prior to June 22 of each year, each local school board shall adopt a budget and make appropriations for the next fiscal year. If the tax rate in the proposed budget exceeds the certified tax rate defined in ~~[Subsection]~~ Section 59-2-924~~(2)~~, the board shall comply with Sections 59-2-918 and 59-2-919 in adopting the budget, except as provided by Section 53A-17a-133.

(2) Prior to the adoption of a budget containing a tax rate which does not exceed the certified tax rate, the board shall hold a public hearing, as defined in Section 10-9a-103, on the proposed budget. In addition to complying with Title 52, Chapter 4, Open and Public Meetings Act, in regards to the hearing, the board shall do the following:

(a) publish the required newspaper notice at least ten days prior to the hearing; and

(b) file a copy of the proposed budget with the board's business administrator for public inspection at least ten days prior to the hearing.

(3) The board shall file a copy of the adopted budget with the state auditor and the State Board of Education.

Section 11. Section **53A-19-105** is amended to read:

53A-19-105. School district interfund transfers.

(1) A school district shall spend revenues only within the fund for which they were originally authorized, levied, collected, or appropriated.

(2) Except as otherwise provided in this section, school district interfund transfers of residual equity are prohibited.

(3) The State Board of Education may authorize school district interfund transfers of residual equity when a district states its intent to create a new fund or expand, contract, or liquidate an existing fund.

(4) The State Board of Education may also authorize school district interfund transfers of residual equity for a financially distressed district if the board determines the following:

(a) the district has a significant deficit in its maintenance and operations fund caused by circumstances not subject to the administrative decisions of the district;

(b) the deficit cannot be reasonably reduced under Section 53A-19-104; and

(c) without the transfer, the school district will not be capable of meeting statewide

educational standards adopted by the State Board of Education.

(5) The board shall develop standards for defining and aiding financially distressed school districts under this section in accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act.

(6) (a) All debt service levies not subject to certified tax rate hearings shall be recorded and reported in the debt service fund.

(b) Debt service levies under Subsection 59-2-924[(2)(a)(v)(C)] (3)(e)(iii) that are not subject to the certified tax rate hearing requirements of Sections 59-2-918 and 59-2-919 may not be used for any purpose other than retiring general obligation debt.

(c) Amounts from these levies remaining in the debt service fund at the end of a fiscal year shall be used in subsequent years for general obligation debt retirement.

(d) Any amounts left in the debt service fund after all general obligation debt has been retired may be transferred to the capital projects fund upon completion of the budgetary hearing process required under Section 53A-19-102.

Section 12. Section **53A-21-101.5** is enacted to read:

Part 1. General Provisions

53A-21-101.5. Definitions.

As used in this chapter:

(1) "ADM" or "pupil in average daily membership" is as defined in Section 53A-17a-103.

(2) "Capital Outlay Equalization Fund" or "Fund" means the fund created in Section 53A-21-502.

(3) "Combined capital outlay certified tax rate" means a separate certified tax rate calculated in accordance with Section 53A-21-404.

(4) "Combined capital levy rate" means a rate that includes the sum of the following property tax levies:

(a) the capital outlay levy authorized in Section 53A-16-107;

(b) the portion of the 10% of basic levy described in Section 53A-17a-145 that is budgeted for debt service or capital outlay;

(c) the debt service levy authorized in Section 11-14-310;

(d) the voted capital outlay leeway authorized in Section 53A-16-110; and

(e) the basic capital outlay levy imposed under Section 53A-21-403.

(5) "Derived net taxable value" means the quotient of:

(a) total current property tax collections from April 1 through the following March 31 for a school district; divided by

(b) the school district's total tax rate for the same year.

(6) "Inflation index" means the annual producer price index for new school building construction published by the Bureau of Labor Statistics of the United States Department of Labor.

(7) "Property tax base per ADM" means the quotient of:

(a) a school district's derived net taxable value; divided by

(b) the school district's ADM for the same year.

(8) "Property tax yield per ADM" means the quotient of:

(a) the product of:

(i) a school district's derived net taxable value; and

(ii) the highest combined capital levy rate imposed by any school district within the state for the fiscal year of the March 31 referenced in Subsection (5)(a); divided by

(b) the school district's ADM for the same fiscal year.

(9) "School district net taxable value per enrolled student" means the derived net taxable value in a school district divided by student enrollment in the district as of the same year's October 1 enrollment counts.

(10) "Statewide average property tax base per ADM" means the quotient of:

(a) the sum of all school districts' derived net taxable value; divided by

(b) the sum of all school districts' ADM statewide for the same year.

Section 13. Section **53A-21-102** is amended to read:

53A-21-102. Capital outlay programs -- Use of funds.

~~[(1) The Capital Outlay Foundation Program and the Enrollment Growth Program are established to provide revenues to school districts for the purposes of capital outlay bonding, construction, and renovation.]~~

~~[(2) The Capital Outlay Loan Program is established to provide:]~~

~~[(a) short-term help to school districts to meet district needs for school building construction and renovation; and]~~

522 ~~[(b) assistance to charter schools to meet school building construction and renovation~~
523 ~~needs:]~~

524 ~~[(3) School districts shall]~~ A school district may only use the monies provided [~~to~~
525 ~~them]~~ under ~~[the programs established by this section solely]~~ this chapter for school district
526 capital outlay and debt service purposes.

527 Section 14. Section **53A-21-201** is enacted to read:

528 **Part 2. Capital Outlay Foundation Program**

529 **53A-21-201. Capital Outlay Foundation Program -- Creation -- Definitions.**

530 (1) There is created the Capital Outlay Foundation Program to provide capital outlay
531 funding to a school district based on a district's local property tax effort and property tax yield
532 per student compared to a foundation guarantee funding level.

533 (2) As used in this part:

534 (a) "Foundation guarantee level per ADM" means a minimum revenue amount per
535 ADM generated by the highest combined capital levy rate, including the following:

536 (i) the revenue generated locally from a school district's combined capital levy rate; and

537 (ii) the revenue allocated to a school district by the State Board of Education in
538 accordance with Section 53A-21-202.

539 (b) "Qualifying school district" means a school district with a property tax yield per
540 ADM less than the foundation guarantee level per ADM.

541 Section 15. Section **53A-21-202** is enacted to read:

542 **53A-21-202. Capital Outlay Foundation Program -- Distribution formulas --**
543 **Allocations.**

544 (1) For fiscal years beginning on or after July 1, 2008, the State Board of Education
545 shall determine the foundation guarantee level per ADM that fully allocates the funds
546 appropriated to the State Board of Education for distribution under this section.

547 (2) By June 1, a county treasurer shall report to the State Board of Education the actual
548 collections of property taxes in the school districts located within the county treasurer's county
549 for the period beginning April 1 through the following March 31 immediately preceding that
550 June 1.

551 (3) If a qualifying school district imposes the highest combined capital levy rate in the
552 prior year, the State Board of Education shall allocate to the qualifying school district an

553 amount equal to the product of the following:

554 (a) the qualifying school district's prior year ADM; and

555 (b) an amount equal to the difference between the following:

556 (i) the foundation guarantee level per ADM for that fiscal year, as determined in

557 accordance with Subsection (1); and

558 (ii) the qualifying school district's prior year property tax yield per ADM.

559 (4) If a qualifying school district imposes a prior year combined capital levy rate less

560 than the highest combined capital levy rate, the State Board of Education shall allocate to the

561 qualifying school district an amount equal to the product of the following:

562 (a) the qualifying school district's prior year ADM;

563 (b) an amount equal to the difference between the following:

564 (i) the foundation guarantee level per ADM for that fiscal year, as determined in

565 accordance with Subsection (1); and

566 (ii) the qualifying school district's prior year property tax yield per ADM; and

567 (c) a percentage equal to:

568 (i) the qualifying school district's prior year combined capital levy rate; divided by

569 (ii) the highest combined capital levy rate.

570 (5) (a) The State Board of Education shall allocate:

571 (i) a minimum of \$200,000 to each school district with a property tax base per ADM

572 less than or equal to the statewide average property tax base per ADM;

573 (ii) a minimum of \$100,000 to each school district with a property tax base per ADM

574 that is:

575 (A) greater than the statewide average property tax base per ADM; and

576 (B) less than or equal to two times the statewide average property tax base per ADM;

577 and

578 (iii) a minimum of \$50,000 to each school district with a property tax base per ADM

579 that is:

580 (A) greater than two times the statewide average property tax base per ADM; and

581 (B) less than or equal to five times the statewide average property tax base per ADM.

582 (b) The State Board of Education shall incorporate the minimum allocations described

583 in Subsection (5)(a) in its calculation of the foundation guarantee level per ADM determined in

584 accordance with Subsection (1).

585 Section 16. Section **53A-21-301** is enacted to read:

586 **Part 3. Capital Outlay Enrollment Growth Program**

587 **53A-21-301. Capital Outlay Enrollment Growth Program - Definitions.**

588 (1) There is created the Capital Outlay Enrollment Growth Program to provide capital
589 outlay funding to school districts experiencing net enrollment increases.

590 (2) As used in this part:

591 (a) "Average annual net enrollment increase" means the quotient of:

592 (i) (A) enrollment in the current year, based on October 1 enrollment counts; minus

593 (B) enrollment in the year three years prior, based on October 1 enrollment counts;

594 divided by

595 (ii) three.

596 (b) "Eligible district" or "eligible school district" means a school district that:

597 (i) has an average annual net enrollment increase; and

598 (ii) has a prior year property tax base per student that is less than two times the prior
599 year statewide average property tax base per student.

600 Section 17. Section **53A-21-302** is enacted to read:

601 **53A-21-302. Capital Outlay Enrollment Growth Program -- Distribution**

602 **formulas -- Allocations.**

603 (1) For fiscal years beginning on or after July 1, 2008, the State Board of Education
604 shall annually allocate appropriated funds to eligible school districts in accordance with
605 Subsection (2).

606 (2) The State Board of Education shall allocate to an eligible school district an amount
607 equal to the product of:

608 (a) the quotient of:

609 (i) the eligible school district's average annual net enrollment increase; divided by

610 (ii) the sum of the average annual net enrollment increase in all eligible school districts
611 statewide; and

612 (b) the total amount appropriated for the Capital Outlay Enrollment Growth Program in
613 that fiscal year.

614 Section 18. Section **53A-21-401** is enacted to read:

Part 4. Capital Outlay Equalization Program**53A-21-401. Capital Outlay Equalization Program -- Definitions.**

(1) There is created the Capital Outlay Equalization Program.

(2) As used in this part:

(a) "Adjusted allocation amount per student" means the product of:

(i) the base allocation amount per student; and

(ii) the quotient of:

(A) the prior year statewide derived net taxable value per enrolled student; divided by

(B) the prior year school district derived net taxable value per enrolled student.

(b) "Adjusted basic capital outlay increment" means:

(i) for a receiving district, the basic capital outlay increment less the amount of any rate reduction limitation increment remitted to the State Board of Education; and

(ii) for a contributing district, the basic capital outlay increment plus any allocations received pursuant to Section 53A-21-402.

(c) "Base allocation amount per growth student" means \$10,000 in fiscal year 2009-10, adjusted in future years by the percentage difference between the inflation index for the calendar year preceding the calendar year in which the fiscal year begins and the inflation index for calendar year 2008.

(d) "Basic capital outlay increment" means an amount of revenue equal to the difference between:

(i) the allocations made to a participating school district pursuant to Section 53A-21-402; and

(ii) the revenue generated from the levy imposed under Section 53A-21-403.

(e) "Contributing district" or "contributing school district" means a school district that in a fiscal year receives less revenue from the allocations made pursuant to Section 53A-21-402 than it generates from the basic capital outlay levy imposed within the school district under Section 53A-21-403.

(f) "Neutral school district" means a school district that is entitled to receive the same amount of revenue for a fiscal year from the allocations made pursuant to Section 53A-21-402 as it generates from the levy it imposes within the school district under Section 53A-21-403.

(g) "Rate reduction limitation increment" means, for a receiving district whose

combined capital levy certified tax rate would be less than .0024 were it not for the rate reduction limitation under Subsections 53A-21-402(4)(a) and 53A-21-404(2)(b), the amount of revenue equal to the difference between the following:

(i) the amount of revenue that would have been generated by the combined capital levy certified tax rate in absence of the requirement under Subsections 53A-21-402(4)(a) and 53A-21-404(2)(b); and

(ii) the amount of revenue generated by a property tax rate of .0024 per dollar of taxable value.

(h) "Receiving district" or "receiving school district" means a school district that in a fiscal year receives more revenue from the allocations made pursuant to Subsection 53A-21-402(1) than it generates from the basic capital outlay levy it imposes within the school district under Section 53A-21-403.

Section 19. Section **53A-21-402** is enacted to read:

53A-21-402. Capital Outlay Equalization Program -- Distribution of funds.

(1) (a) Except as provided in Subsections (2) and (3), beginning with fiscal year 2009-10, the State Board of Education shall allocate funding from the Capital Outlay Equalization Fund created in Section 53A-21-502 to a school district in an amount equal to the product of:

(i) the adjusted allocation amount per student; and

(ii) the average net enrollment increase in the school district over the prior three years, based on the October 1 enrollment counts.

(b) When a new school district is created or school district boundaries are adjusted:

(i) the three-year average net enrollment increase for each affected school district shall be based on school district enrollment over the prior three years in non-charter schools located within that school district's newly created or adjusted boundaries, based on October 1 enrollment counts; and

(ii) the school district net taxable value per enrolled student for each affected school district shall be based upon:

(A) the prior year derived net taxable value within each school district's newly created or adjusted boundaries; and

(B) the prior year total enrollment in non-charter schools located within the district's

677 newly created or adjusted boundaries.

678 (c) The State Board of Education may not provide an allocation under this Subsection
679 (1) to a school district that does not have an average net enrollment increase over the prior
680 three years.

681 (2) The State Board of Education shall allocate to a school district the greater of an
682 amount equal to a school district's allocation determined pursuant to Subsection (1) or an
683 amount equal to the revenue generated within the school district by the imposition of the basic
684 capital outlay levy required under Section 53A-21-403 if:

685 (i) the school district is in a county of the fourth through sixth class; or

686 (ii) the school district:

687 (a) has a property tax base per student less than 70% of the statewide average property
688 tax base per student; and

689 (b) a combined capital levy rate greater than 70% of the highest combined capital levy
690 rate.

691 (3) If revenues deposited into the Capital Outlay Equalization Fund are insufficient to
692 fully fund the allocations under Subsection (1) for a fiscal year, the State Board of Education
693 shall proportionately reduce allocations to match available revenues.

694 (4) A school district shall remit to the State Board of Education an amount equal to the
695 revenue generated from the basic capital outlay tax rate imposed under Section 53A-21-403 on
696 or before the June 30 immediately following the end of the taxable year in which the school
697 district imposes the basic capital outlay tax rate under Section 53A-21-403.

698 (5) (a) A receiving school district shall impose a combined capital levy rate of at least
699 .0024 per dollar of taxable value.

700 (b) A receiving school district with a combined capital levy certified tax rate that
701 would be less than .0024 per dollar of taxable value were it not for the requirement of
702 Subsections (5)(a) and 53A-21-404(2)(b) shall remit the district's rate reduction limitation
703 increment to the State Board of Education.

704 (6) The State Board of Education shall deposit revenues received pursuant to
705 Subsections (4) and (5)(b) into the Capital Outlay Equalization Fund.

706 (7) The State Board of Education shall allocate the rate reduction limitation increment
707 funds deposited into the Capital Outlay Equalization Fund pursuant to Subsection (5)(b) to

contributing districts by allocating an amount that equally reduces each contributing district's basic capital outlay increment by the same percentage.

(8) In lieu of making transfers of actual funds pursuant to this section, the State Board of Education and the Division of Finance may implement accounting procedures to increase or decrease other allocations that would otherwise be made to a school district, if the accounting procedures properly account for the flow of funds to and from:

(a) the Capital Outlay Equalization Fund, consistent with this section; and

(b) the revenue source of any allocations adjusted pursuant to this Subsection (8).

Section 20. Section **53A-21-403** is enacted to read:

53A-21-403. Basic capital outlay tax rate.

For taxable years beginning on or after January 1, 2009, in order to qualify for receipt of state funds pursuant to Title 53A, Chapter 17a, Minimum School Program Act, a school district shall impose a basic capital outlay tax rate of .000727 per dollar of taxable value.

Section 21. Section **53A-21-404** is enacted to read:

53A-21-404. Calculation of the combined capital outlay certified tax rate.

(1) The "combined capital outlay certified tax rate" means a combined capital levy tax rate that will provide the same ad valorem property tax revenues for a school district as were budgeted by that school district for the prior year for the school district's combined capital levy rate.

(2) For purposes of this section, "ad valorem property tax revenues" is as is defined in Section 59-2-924.

(3) The combined capital outlay certified tax rate shall be calculated in the same manner and with the same exceptions and adjustments as the calculation of a taxing entity's certified tax rate, in accordance with the provisions of Section 59-2-924.

(4) The calculation of a school district's combined capital outlay certified tax rate shall be used:

(a) by the State Board of Education to determine the allocation of funds from the Capital Outlay Equalization Fund in accordance with Section 53A-21-402; and

(b) to offset a school district's aggregate certified tax rate as provided in Section 59-2-924.3.

Section 22. Section **53A-21-501**, which is renumbered from Section 53A-21-105 is

renumbered and amended to read:

Part 5. Fiscal Matters

[53A-21-105]. 53A-21-501. State contribution to capital outlay programs.

(1) As an ongoing appropriation subject to future budget constraints, there is appropriated from the Uniform School Fund for fiscal year ~~[2007-08]~~ 2008-09, \$27,288,900 to the State Board of Education for the capital outlay programs created in ~~[Section 53A-21-102]~~ this chapter.

(2) Of the monies appropriated in Subsection (1), the State Board of Education shall distribute:

(a) \$24,358,000 in accordance with the Capital Outlay Foundation Program ~~[described in Section 53A-21-103]~~ pursuant to Section 53A-21-202; and

(b) \$2,930,900 in accordance with the Capital Outlay Enrollment Growth Program ~~[described in Section 53A-21-103.5]~~ pursuant to Section 53A-21-302.

Section 23. Section **53A-21-502** is enacted to read:

53A-21-502. Capital Outlay Equalization Fund -- Source of revenues -- Interest -- Unexpended revenues.

(1) There is created a restricted special revenue fund known as the Capital Outlay Equalization Fund.

(2) (a) The fund shall be funded by:

(i) revenues from the basic capital outlay levy deposited pursuant to Subsection 53A-21-402(4);

(ii) revenues from the rate reduction limitation increment deposited pursuant to Subsection 53A-21-402(5)(b); and

(iii) appropriations from the Legislature.

(b) Any interest earned on the fund shall be deposited into the fund.

(3) The State Board of Education shall distribute revenues collected from the basic capital outlay levy imposed pursuant to Section 53A-21-403 for the Capital Outlay Equalization Program, in accordance with Section 53A-21-402.

(4) A school district that receives an allocation from the Capital Outlay Equalization Fund may only use the allocation for school capital outlay or debt service.

Section 24. Section **53A-21-601**, which is renumbered from Section 53A-21-104 is

renumbered and amended to read:

Part 6. Capital Outlay Loan Program

~~[53A-21-104].~~ **53A-21-601. Capital Outlay Loan Program -- School Building Revolving Account -- Access to the account.**

(1) There is created;

(a) the "Capital Outlay Loan Program" to provide:

(i) short-term help to school districts to meet district needs for school building construction and renovation; and
(ii) assistance to charter schools to meet school building construction and renovation needs; and

(b) a nonlapsing "School Building Revolving Account" administered within the Uniform School Fund by the state superintendent of public instruction in accordance with rules adopted by the State Board of Education.

(2) ~~[Monies received by a school district]~~ The State Board of Education may not allocate funds from the School Building Revolving Account [may not] that exceed [the] a school district's bonding limit minus its outstanding bonds.

(3) In order to receive monies from the account, a school district ~~[must do the following]~~ shall:

(a) levy a ~~[tax of]~~ combined capital levy rate of at least .0024 ~~[for capital outlay and debt service];~~

(b) contract with the state superintendent of public instruction to repay the monies, with interest at a rate established by the state superintendent, within five years of ~~[their]~~ receipt, using future state ~~[building monies or]~~ capital outlay allocations, local revenues, or both;

(c) levy sufficient ad valorem taxes under Section 11-14-310 to guarantee annual loan repayments, unless the state superintendent of public instruction alters the payment schedule to improve a hardship situation; and

(d) meet any other condition established by the State Board of Education pertinent to the loan.

(4) (a) The state superintendent shall establish a committee, including representatives from state and local education entities, to:

(i) review requests by school districts for loans under this section; and

801 (ii) make recommendations regarding approval or disapproval of the loan applications
802 to the state superintendent.

803 (b) If the committee recommends approval of a loan application under Subsection
804 (4)(a)(ii), the committee's recommendation shall include:

- 805 (i) the recommended amount of the loan;
- 806 (ii) the payback schedule; and
- 807 (iii) the interest rate to be charged.

808 (5) (a) There is established within the School Building Revolving Account the Charter
809 School Building Subaccount administered by the State Board of Education, in consultation
810 with the State Charter School Board, in accordance with rules adopted by the State Board of
811 Education.

812 (b) The Charter School Building Subaccount shall consist of:

- 813 (i) money appropriated to the subaccount by the Legislature;
- 814 (ii) money received from the repayment of loans made from the subaccount; and
- 815 (iii) interest earned on monies in the subaccount.

816 (c) The state superintendent of public instruction shall make loans to charter schools
817 from the Charter School Building Subaccount to pay for the costs of:

- 818 (i) planning expenses;
- 819 (ii) constructing or renovating charter school buildings;
- 820 (iii) equipment and supplies; or
- 821 (iv) other start-up or expansion expenses.

822 (d) Loans to new charter schools or charter schools with urgent facility needs may be
823 given priority.

824 (6) (a) The State Board of Education shall establish a committee, which shall include
825 individuals who have expertise or experience in finance, real estate, and charter school
826 administration, one of whom shall be nominated by the governor to:

- 827 (i) review requests by charter schools for loans under this section; and
- 828 (ii) make recommendations regarding approval or disapproval of the loan applications
829 to the State Charter School Board and the State Board of Education.

830 (b) If the committee recommends approval of a loan application under Subsection
831 (6)(a)(ii), the committee's recommendation shall include:

(i) the recommended amount of the loan;
(ii) the payback schedule; and
(iii) the interest rate to be charged.
(c) The committee members may not:
(i) be a relative, as defined in Section 53A-1a-518, of a loan applicant; or
(ii) have a pecuniary interest, directly or indirectly, with a loan applicant or any person or entity that contracts with a loan applicant.

(7) The State Board of Education, in consultation with the State Charter School Board, shall approve all loans to a charter [schools] school under this section.

(8) ~~[Loans]~~ The term of a loan to a charter [schools] school under this section may not exceed ~~[a term of]~~ five years.

(9) The State Board of Education may not approve loans to charter schools under this section that exceed a total of \$2,000,000 in any year.

Section 25. Section **59-2-908** is amended to read:

59-2-908. Single aggregate limitation -- Maximum levy.

(1) Except as provided in Subsection (2), each county shall have a single aggregate limitation on the property tax levied for all purposes by the county. Except as provided in Section 59-2-911, this limitation may not exceed the maximum set forth in this section. The maximum is:

- (a) .0032 per dollar of taxable value in all counties with a total taxable value of more than \$100,000,000; and
- (b) .0036 per dollar of taxable value in all counties with a total taxable value of less than \$100,000,000.

(2) (a) Beginning January 1, 1995, a county may impose a tax rate in excess of the limitation provided in Subsection (1) if the rate established under Subsection (1)(a) or (b) generates revenues for the county in an amount that is less than the revenues that would be generated by the county under the certified tax rate established in ~~[Subsection]~~ Section 59-2-924[~~(2)~~].

(b) A county meeting the requirements of Subsection (2)(a) may impose a tax rate that does not exceed the certified tax rate established in ~~[Subsection]~~ Section 59-2-924[~~(2)~~].

Section 26. Section **59-2-913** is amended to read:

863 **59-2-913. Definitions -- Statement of amount and purpose of levy -- Contents of**
864 **statement -- Filing with county auditor -- Transmittal to commission -- Calculations for**
865 **establishing tax levies -- Format of statement.**

866 (1) As used in this section, "budgeted property tax revenues" does not include property
867 tax revenue received by a taxing entity from personal property that is:

868 (a) assessed by a county assessor in accordance with Part 3, County Assessment; and

869 (b) semiconductor manufacturing equipment.

870 (2) (a) The legislative body of each taxing entity shall file a statement as provided in
871 this section with the county auditor of the county in which the taxing entity is located.

872 (b) The auditor shall annually transmit the statement to the commission:

873 (i) before June 22; or

874 (ii) with the approval of the commission, on a subsequent date prior to the date
875 established under Section 59-2-1317 for mailing tax notices.

876 (c) The statement shall contain the amount and purpose of each levy fixed by the
877 legislative body of the taxing entity.

878 (3) For purposes of establishing the levy set for each of a taxing entity's applicable
879 funds, the legislative body of the taxing entity shall calculate an amount determined by dividing
880 the budgeted property tax revenues, specified in a budget which has been adopted and
881 approved prior to setting the levy, by the amount calculated under Subsections
882 59-2-924[(2)(a)(iii)(B)(F) through (H)] (3)(c)(ii)(A) through (C).

883 (4) The format of the statement under this section shall:

884 (a) be determined by the commission; and

885 (b) cite any applicable statutory provisions that:

886 (i) require a specific levy; or

887 (ii) limit the property tax levy for any taxing entity.

888 (5) The commission may require certification that the information submitted on a
889 statement under this section is true and correct.

890 Section 27. Section **59-2-914** is amended to read:

891 **59-2-914. Excess levies -- Commission to recalculate levy -- Notice to implement**
892 **adjusted levies to county auditor.**

893 (1) If the commission determines that a levy established for a taxing entity set under

Section 59-2-913 is in excess of the maximum levy permitted by law, the commission shall:

- (a) lower the levy so that it is set at the maximum level permitted by law;
- (b) notify the taxing entity which set the excessive rate that the rate has been lowered;
- and
- (c) notify the county auditor of the county or counties in which the taxing entity is

located to implement the rate established by the commission.

(2) A levy set for a taxing entity by the commission under this section shall be the official levy for that taxing entity unless:

- (a) the taxing entity lowers the levy established by the commission; or
- (b) the levy is subsequently modified by a court order.

(3) (a) Subject to the provisions of Subsections (1) and (2), beginning January 1, 1995, a taxing entity may impose a tax rate in excess of the maximum levy permitted by law if the rate established by the taxing entity for the current year generates revenues for the taxing entity in an amount that is less than the revenues that would be generated by the taxing entity under the certified tax rate established in ~~[Subsection]~~ Section 59-2-924~~[(2)]~~.

(b) A taxing entity meeting the requirements of Subsection (3)(a) may impose a tax rate that does not exceed the certified rate established in ~~[Subsection]~~ Section 59-2-924~~[(2)]~~.

Section 28. Section **59-2-918** is amended to read:

59-2-918. Advertisement of proposed tax increase -- Notice -- Contents.

(1) (a) Except as provided in Subsection (1)(b), a taxing entity may not budget an increased amount of ad valorem tax revenue exclusive of revenue from new growth as defined in Subsection 59-2-924~~[(2)]~~ (4) unless it advertises its intention to do so at the same time that it advertises its intention to fix its budget for the forthcoming fiscal year.

(b) (i) Notwithstanding Subsection (1)(a), a taxing entity is not required to meet the advertisement or hearing requirements of this section if:

(A) the taxing entity:

(I) collected less than \$15,000 in ad valorem tax revenues for the previous fiscal year;

or

(II) is expressly exempted by law from complying with the requirements of this section; or

(B) the increased amount of ad valorem tax revenue results from a tax rate increase that

is exempted under Subsection 59-2-919(1)(a)(ii)(B) from the advertisement and hearing requirements of Section 59-2-919.

(ii) Notwithstanding Subsection (1)(a), a taxing entity is not required to meet the advertisement requirements of this section if Section 53A-17a-133 allows the taxing entity to budget an increased amount of ad valorem property tax revenue without having to comply with the advertisement requirements of this section.

(2) (a) For taxing entities operating under a July 1 through June 30 fiscal year, the advertisement required by this section may be combined with the advertisement required by Section 59-2-919.

(b) For taxing entities operating under a January 1 through December 31 fiscal year, the advertisement required by this section shall meet the size, type, placement, and frequency requirements established under Section 59-2-919.

(3) The form of the advertisement required by this section shall meet the size, type, placement, and frequency requirements established under Section 59-2-919 and shall be substantially as follows:

"NOTICE OF PROPOSED TAX INCREASE

(NAME OF TAXING ENTITY)

The (name of the taxing entity) is proposing to increase its property tax revenue.

● If the proposed budget is approved, this would be an increase of _____% above the (name of the taxing entity) property tax budgeted revenue for the prior year.

● The (name of the taxing entity) tax on a (insert the average value of a residence in the taxing entity rounded to the nearest thousand dollars) residence would increase from \$_____ to \$_____, which is \$_____ per year.

● The (name of the taxing entity) tax on a (insert the value of a business having the same value as the average value of a residence in the taxing entity) business would increase from \$_____ to \$_____, which is \$_____ per year.

All concerned citizens are invited to a public hearing on the tax increase.

PUBLIC HEARING

Date/Time: (date) (time)

Location: (name of meeting place and address of meeting place)

To obtain more information regarding the tax increase, citizens may contact the (name

of the taxing entity) at (phone number of taxing entity)."

(4) If a final decision regarding the budgeting of an increased amount of ad valorem tax revenue is not made at the public hearing described in Subsection (3), the taxing entity shall announce at the public hearing the scheduled time and place for consideration and adoption of the proposed budget increase.

(5) (a) Each taxing entity operating under the January 1 through December 31 fiscal year shall by March 1 notify the county of the date, time, and place of the public hearing at which the budget for the following fiscal year will be considered.

(b) The county shall include the information described in Subsection (5)(a) with the tax notice.

(6) A taxing entity shall hold a public hearing under this section beginning at or after 6 p.m.

Section 29. Section **59-2-924** is amended to read:

59-2-924. Report of valuation of property to county auditor and commission -- Transmittal by auditor to governing bodies -- Certified tax rate -- Calculation of certified tax rate -- Rulemaking authority -- Adoption of tentative budget.

(1) ~~[(a)]~~ Before June 1 of each year, the county assessor of each county shall deliver to the county auditor and the commission the following statements:

~~[(i)]~~ (a) a statement containing the aggregate valuation of all taxable property in each taxing entity; and

~~[(ii)]~~ (b) a statement containing the taxable value of any additional personal property estimated by the county assessor to be subject to taxation in the current year.

~~[(b)]~~ (2) The county auditor shall, on or before June 8, transmit to the governing body of each taxing entity:

~~[(i)]~~ (a) the statements described in Subsections (1)(a)~~[(i)]~~ and ~~[(ii)]~~ (b);

~~[(ii)]~~ (b) an estimate of the revenue from personal property;

~~[(iii)]~~ (c) the certified tax rate; and

~~[(iv)]~~ (d) all forms necessary to submit a tax levy request.

~~[(2)]~~ (3) (a) ~~[(i)]~~ The "certified tax rate" means a tax rate that will provide the same ad valorem property tax revenues for a taxing entity as were budgeted by that taxing entity for the prior year.

987 ~~[(ii)]~~ (b) For purposes of this Subsection ~~[(2)]~~(3), "ad valorem property tax revenues"
 988 do not include:

989 ~~[(A)]~~ (i) collections from redemptions;

990 ~~[(B)]~~ (ii) interest;

991 ~~[(C)]~~ (iii) penalties; and

992 ~~[(D)]~~ (iv) revenue received by a taxing entity from personal property that is:

993 ~~[(H)]~~ (A) assessed by a county assessor in accordance with Part 3, County Assessment;

994 and

995 ~~[(H)]~~ (B) semiconductor manufacturing equipment.

996 ~~[(iii)-(A)]~~ (c) (i) Except as otherwise provided in this section, the certified tax rate shall
 997 be calculated by dividing the ad valorem property tax revenues budgeted for the prior year by
 998 the taxing entity by the amount calculated under Subsection ~~[(2)(a)(iii)(B)]~~ (3)(c)(ii).

999 ~~[(B)]~~ (ii) For purposes of Subsection ~~[(2)(a)(iii)(A)]~~ (3)(c)(i), the legislative body of a
 1000 taxing entity shall calculate an amount as follows:

1001 ~~[(H)]~~ (A) calculate for the taxing entity the difference between:

1002 ~~[(Aa)]~~ (I) the aggregate taxable value of all property taxed; and

1003 ~~[(Bb)]~~ (II) any redevelopment adjustments for the current calendar year;

1004 ~~[(H)]~~ (B) after making the calculation required by Subsection ~~[(2)(a)(iii)(B)(H)]~~

1005 (3)(c)(ii)(A), calculate an amount determined by increasing or decreasing the amount
 1006 calculated under Subsection ~~[(2)(a)(iii)(B)(H)]~~ (3)(c)(ii)(A) by the average of the percentage net
 1007 change in the value of taxable property for the equalization period for the three calendar years
 1008 immediately preceding the current calendar year;

1009 ~~[(HH)]~~ (C) after making the calculation required by Subsection ~~[(2)(a)(iii)(B)(H)]~~

1010 (3)(c)(ii)(B), calculate the product of:

1011 ~~[(Aa)]~~ (I) the amount calculated under Subsection ~~[(2)(a)(iii)(B)(H)]~~ (3)(c)(ii)(B); and

1012 ~~[(Bb)]~~ (II) the percentage of property taxes collected for the five calendar years

1013 immediately preceding the current calendar year; and

1014 ~~[(IV)]~~ (D) after making the calculation required by Subsection ~~[(2)(a)(iii)(B)(H)]~~

1015 (3)(c)(ii)(C), calculate an amount determined by subtracting from the amount calculated under
 1016 Subsection ~~[(2)(a)(iii)(B)(H)]~~ (3)(c)(ii)(C) any new growth as defined in this section:

1017 ~~[(Aa)]~~ (I) within the taxing entity; and

1018 ~~[(Bb)]~~ (II) for the current calendar year.

1019 ~~[(C)]~~ (iii) For purposes of Subsection ~~[(2)(a)(iii)(B)(F)]~~ (3)(c)(ii)(A), the aggregate

1020 taxable value of all property taxed:

1021 ~~[(F)]~~ (A) except as provided in Subsection ~~[(2)(a)(iii)(C)(H)]~~ (3)(c)(iii)(B), includes the

1022 total taxable value of the real and personal property contained on the tax rolls of the taxing

1023 entity; and

1024 ~~[(H)]~~ (B) does not include the total taxable value of personal property contained on the

1025 tax rolls of the taxing entity that is:

1026 ~~[(Aa)]~~ (I) assessed by a county assessor in accordance with Part 3, County Assessment;

1027 and

1028 ~~[(Bb)]~~ (II) semiconductor manufacturing equipment.

1029 ~~[(D)]~~ (iv) For purposes of Subsection ~~[(2)(a)(iii)(B)(H)]~~ (3)(c)(ii)(B), for calendar years

1030 beginning on or after January 1, 2007, the value of taxable property does not include the value

1031 of personal property that is:

1032 ~~[(F)]~~ (A) within the taxing entity assessed by a county assessor in accordance with Part

1033 3, County Assessment; and

1034 ~~[(H)]~~ (B) semiconductor manufacturing equipment.

1035 ~~[(E)]~~ (v) For purposes of Subsection ~~[(2)(a)(iii)(B)(H)(Bb)]~~ (3)(c)(ii)(C)(II), for

1036 calendar years beginning on or after January 1, 2007, the percentage of property taxes collected

1037 does not include property taxes collected from personal property that is:

1038 ~~[(F)]~~ (A) within the taxing entity assessed by a county assessor in accordance with Part

1039 3, County Assessment; and

1040 ~~[(H)]~~ (B) semiconductor manufacturing equipment.

1041 ~~[(F)]~~ (vi) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking

1042 Act, the commission may prescribe rules for calculating redevelopment adjustments for a

1043 calendar year.

1044 ~~[(iv)(A)]~~ (d)(i) In accordance with Title 63, Chapter 46a, Utah Administrative

1045 Rulemaking Act, the commission shall make rules determining the calculation of ad valorem

1046 property tax revenues budgeted by a taxing entity.

1047 ~~[(B)]~~ (ii) For purposes of Subsection ~~[(2)(a)(iv)(A)]~~ (3)(d)(i), ad valorem property tax

1048 revenues budgeted by a taxing entity shall be calculated in the same manner as budgeted

1049 property tax revenues are calculated for purposes of Section 59-2-913.

1050 ~~[(v)]~~ (e) The certified tax rates for the taxing entities described in this Subsection

1051 ~~[(2)(a)(v)]~~ (3)(e) shall be calculated as follows:

1052 ~~[(A)]~~ (i) except as provided in Subsection ~~[(2)(a)(v)(B)]~~ (3)(e)(ii), for new taxing
1053 entities the certified tax rate is zero;

1054 ~~[(B)]~~ (ii) for each municipality incorporated on or after July 1, 1996, the certified tax
1055 rate is:

1056 ~~[(H)]~~ (A) in a county of the first, second, or third class, the levy imposed for
1057 municipal-type services under Sections 17-34-1 and 17-36-9; and

1058 ~~[(H)]~~ (B) in a county of the fourth, fifth, or sixth class, the levy imposed for general
1059 county purposes and such other levies imposed solely for the municipal-type services identified
1060 in Section 17-34-1 and Subsection 17-36-3(22); and

1061 ~~[(C)]~~ (iii) for debt service voted on by the public, the certified tax rate shall be the
1062 actual levy imposed by that section, except that the certified tax rates for the following levies
1063 shall be calculated in accordance with Section 59-2-913 and this section:

1064 ~~[(H)]~~ (A) school leeways provided for under Sections 11-2-7, 53A-16-110,
1065 ~~[53A-17a-125]~~, 53A-17a-127, 53A-17a-133, 53A-17a-134, 53A-17a-143, and 53A-17a-145[;
1066 ~~and 53A-21-103~~]; and

1067 ~~[(H)]~~ (B) levies to pay for the costs of state legislative mandates or judicial or
1068 administrative orders under Section 59-2-906.3.

1069 ~~[(vi)-(A)]~~ (f) (i) A judgment levy imposed under Section 59-2-1328 or 59-2-1330 shall
1070 be established at that rate which is sufficient to generate only the revenue required to satisfy
1071 one or more eligible judgments, as defined in Section 59-2-102.

1072 ~~[(B)]~~ (ii) The ad valorem property tax revenue generated by the judgment levy shall not
1073 be considered in establishing the taxing entity's aggregate certified tax rate.

1074 (g) The ad valorem property tax revenue generated by the basic capital outlay levy in
1075 accordance with Section 53A-21-403 within a school district:

1076 (i) may not be considered in establishing the school district's aggregate certified tax
1077 rate calculated in accordance with this section; and

1078 (ii) shall be included by the commission in establishing a combined capital outlay levy
1079 certified tax rate as determined in accordance with Sections 53A-21-404 and 59-2-913.

1080 ~~[(b)(i)]~~ (4)(a) For the purpose of calculating the certified tax rate, the county auditor
1081 shall use the taxable value of property on the assessment roll.

1082 ~~[(ii)]~~ (b) For purposes of Subsection ~~[(2)(b)(i)]~~ (4)(a)(i), the taxable value of real
1083 property on the assessment roll does not include:

1084 ~~[(A)]~~ (i) new growth as defined in Subsection ~~[(2)(b)(iii); or]~~ (4)(c); or

1085 ~~[(B)]~~ (ii) the total taxable value of personal property contained on the tax rolls of the
1086 taxing entity that is:

1087 ~~[(H)]~~ (A) assessed by a county assessor in accordance with Part 3, County Assessment;
1088 and

1089 ~~[(H)]~~ (B) semiconductor manufacturing equipment.

1090 ~~[(iii)]~~ (c) "New growth" means:

1091 ~~[(A)]~~ (i) the difference between the increase in taxable value of the taxing entity from
1092 the previous calendar year to the current year; minus

1093 ~~[(B)]~~ (ii) the amount of an increase in taxable value described in Subsection ~~[(2)(b)(v)]~~
1094 (4)(e).

1095 ~~[(iv)]~~ (d) For purposes of Subsection ~~[(2)(b)(iii)]~~ (4)(c)(ii), the taxable value of the
1096 taxing entity does not include the taxable value of personal property that is:

1097 ~~[(A)]~~ (i) contained on the tax rolls of the taxing entity if that property is assessed by a
1098 county assessor in accordance with Part 3, County Assessment; and

1099 ~~[(B)]~~ (ii) semiconductor manufacturing equipment.

1100 ~~[(v)]~~ (e) Subsection ~~[(2)(b)(iii)(B)]~~ (4)(c)(ii) applies to the following increases in
1101 taxable value:

1102 ~~[(A)]~~ (i) the amount of increase to locally assessed real property taxable values
1103 resulting from factoring, reappraisal, or any other adjustments; or

1104 ~~[(B)]~~ (ii) the amount of an increase in the taxable value of property assessed by the
1105 commission under Section 59-2-201 resulting from a change in the method of apportioning the
1106 taxable value prescribed by:

1107 ~~[(H)]~~ (A) the Legislature;

1108 ~~[(H)]~~ (B) a court;

1109 ~~[(H)]~~ (C) the commission in an administrative rule; or

1110 ~~[(IV)]~~ (D) the commission in an administrative order.

1111 ~~[(c) Beginning January 1, 1997, if a taxing entity receives increased revenues from~~
1112 ~~uniform fees on tangible personal property under Section 59-2-404, 59-2-405, 59-2-405.1,~~
1113 ~~59-2-405.2, or 59-2-405.3 as a result of any county imposing a sales and use tax under Chapter~~
1114 ~~12, Part 11, County Option Sales and Use Tax, the taxing entity shall decrease its certified tax~~
1115 ~~rate to offset the increased revenues.]~~

1116 ~~[(d) (i) Beginning July 1, 1997, if a county has imposed a sales and use tax under~~
1117 ~~Chapter 12, Part 11, County Option Sales and Use Tax, the county's certified tax rate shall be:]~~

1118 ~~[(A) decreased on a one-time basis by the amount of the estimated sales and use tax~~
1119 ~~revenue to be distributed to the county under Subsection 59-12-1102(3); and]~~

1120 ~~[(B) increased by the amount necessary to offset the county's reduction in revenue~~
1121 ~~from uniform fees on tangible personal property under Section 59-2-404, 59-2-405, 59-2-405.1,~~
1122 ~~59-2-405.2, or 59-2-405.3 as a result of the decrease in the certified tax rate under Subsection~~
1123 ~~(2)(d)(i)(A).]~~

1124 ~~[(ii) The commission shall determine estimates of sales and use tax distributions for~~
1125 ~~purposes of Subsection (2)(d)(i).]~~

1126 ~~[(e) Beginning January 1, 1998, if a municipality has imposed an additional resort~~
1127 ~~communities sales tax under Section 59-12-402, the municipality's certified tax rate shall be~~
1128 ~~decreased on a one-time basis by the amount necessary to offset the first 12 months of~~
1129 ~~estimated revenue from the additional resort communities sales and use tax imposed under~~
1130 ~~Section 59-12-402.]~~

1131 ~~[(f) (i) (A) For fiscal year 2000, the certified tax rate of each county required under~~
1132 ~~Subsection 17-34-1(4)(a) to provide advanced life support and paramedic services to the~~
1133 ~~unincorporated area of the county shall be decreased by the amount necessary to reduce~~
1134 ~~revenues in that fiscal year by an amount equal to the difference between the amount the county~~
1135 ~~budgeted in its 2000 fiscal year budget for advanced life support and paramedic services~~
1136 ~~countywide and the amount the county spent during fiscal year 2000 for those services;~~
1137 ~~excluding amounts spent from a municipal services fund for those services.]~~

1138 ~~[(B) For fiscal year 2001, the certified tax rate of each county to which Subsection~~
1139 ~~(2)(f)(i)(A) applies shall be decreased by the amount necessary to reduce revenues in that fiscal~~
1140 ~~year by the amount that the county spent during fiscal year 2000 for advanced life support and~~
1141 ~~paramedic services countywide, excluding amounts spent from a municipal services fund for~~

those services.]

~~[(ii) (A) A city or town located within a county of the first class to which Subsection (2)(f)(i) applies may increase its certified tax rate by the amount necessary to generate within the city or town the same amount of revenues as the county would collect from that city or town if the decrease under Subsection (2)(f)(i) did not occur.]~~

~~[(B) An increase under Subsection (2)(f)(ii)(A), whether occurring in a single fiscal year or spread over multiple fiscal years, is not subject to the notice and hearing requirements of Sections 59-2-918 and 59-2-919.]~~

~~[(g) (i) The certified tax rate of each county required under Subsection 17-34-1(4)(b) to provide detective investigative services to the unincorporated area of the county shall be decreased:]~~

~~[(A) in fiscal year 2001 by the amount necessary to reduce revenues in that fiscal year by at least \$4,400,000; and]~~

~~[(B) in fiscal year 2002 by the amount necessary to reduce revenues in that fiscal year by an amount equal to the difference between \$9,258,412 and the amount of the reduction in revenues under Subsection (2)(g)(i)(A).]~~

~~[(ii) (A) (I) Beginning with municipal fiscal year 2002, a city or town located within a county to which Subsection (2)(g)(i) applies may increase its certified tax rate to generate within the city or town the same amount of revenue as the county would have collected during county fiscal year 2001 from within the city or town except for Subsection (2)(g)(i)(A).]~~

~~[(H) Beginning with municipal fiscal year 2003, a city or town located within a county to which Subsection (2)(g)(i) applies may increase its certified tax rate to generate within the city or town the same amount of revenue as the county would have collected during county fiscal year 2002 from within the city or town except for Subsection (2)(g)(i)(B).]~~

~~[(B) (I) Except as provided in Subsection (2)(g)(ii)(B)(H), an increase in the city or town's certified tax rate under Subsection (2)(g)(ii)(A), whether occurring in a single fiscal year or spread over multiple fiscal years, is subject to the notice and hearing requirements of Sections 59-2-918 and 59-2-919.]~~

~~[(H) For an increase under this Subsection (2)(g)(ii) that generates revenue that does not exceed the same amount of revenue as the county would have collected except for Subsection (2)(g)(i), the requirements of Sections 59-2-918 and 59-2-919 do not apply if the~~

city or town:]

~~[(Aa) publishes a notice that meets the size, type, placement, and frequency requirements of Section 59-2-919, reflects that the increase is a shift of a tax from one imposed by the county to one imposed by the city or town, and explains how the revenues from the tax increase will be used; and]~~

~~[(Bb) holds a public hearing on the tax shift that may be held in conjunction with the city or town's regular budget hearing.]~~

~~[(h) (i) This Subsection (2)(h) applies to each county that:]~~

~~[(A) establishes a countywide special service district under Title 17A, Chapter 2, Part 13, Utah Special Service District Act, to provide jail service, as provided in Subsection 17A-2-1304(1)(a)(x); and]~~

~~[(B) levies a property tax on behalf of the special service district under Section 17A-2-1322.]~~

~~[(ii) (A) The certified tax rate of each county to which this Subsection (2)(h) applies shall be decreased by the amount necessary to reduce county revenues by the same amount of revenues that will be generated by the property tax imposed on behalf of the special service district.]~~

~~[(B) Each decrease under Subsection (2)(h)(ii)(A) shall occur contemporaneously with the levy on behalf of the special service district under Section 17A-2-1322.]~~

~~[(i) (i) As used in this Subsection (2)(i):]~~

~~[(A) "Annexing county" means a county whose unincorporated area is included within a fire district by annexation:]~~

~~[(B) "Annexing municipality" means a municipality whose area is included within a fire district by annexation:]~~

~~[(C) "Equalized fire protection tax rate" means the tax rate that results from:]~~

~~[(f) calculating, for each participating county and each participating municipality, the property tax revenue necessary to cover all of the costs associated with providing fire protection, paramedic, and emergency services:]~~

~~[(Aa) for a participating county, in the unincorporated area of the county; and]~~

~~[(Bb) for a participating municipality, in the municipality; and]~~

~~[(H) adding all the amounts calculated under Subsection (2)(i)(i)(C)(f) for all~~

participating counties and all participating municipalities and then dividing that sum by the aggregate taxable value of the property, as adjusted in accordance with Section 59-2-913;]

[(Aa) for participating counties, in the unincorporated area of all participating counties; and]

[(Bb) for participating municipalities, in all the participating municipalities.]

[(D) "Fire district" means a service area under Title 17B, Chapter 2a, Part 9, Service Area Act, in the creation of which an election was not required under Subsection 17B-1-214(3)(c).]

[(E) "Fire protection tax rate" means:]

[(F) for an annexing county, the property tax rate that, when applied to taxable property in the unincorporated area of the county, generates enough property tax revenue to cover all the costs associated with providing fire protection, paramedic, and emergency services in the unincorporated area of the county; and]

[(H) for an annexing municipality, the property tax rate that generates enough property tax revenue in the municipality to cover all the costs associated with providing fire protection, paramedic, and emergency services in the municipality.]

[(F) "Participating county" means a county whose unincorporated area is included within a fire district at the time of the creation of the fire district.]

[(G) "Participating municipality" means a municipality whose area is included within a fire district at the time of the creation of the fire district.]

[(ii) In the first year following creation of a fire district, the certified tax rate of each participating county and each participating municipality shall be decreased by the amount of the equalized fire protection tax rate.]

[(iii) In the first year following annexation to a fire district, the certified tax rate of each annexing county and each annexing municipality shall be decreased by the fire protection tax rate.]

[(iv) Each tax levied under this section by a fire district shall be considered to be levied by:]

[(A) each participating county and each annexing county for purposes of the county's tax limitation under Section 59-2-908; and]

[(B) each participating municipality and each annexing municipality for purposes of

1235 the municipality's tax limitation under Section 10-5-112, for a town, or Section 10-6-133, for a
1236 city.].

1237 ~~[(j) For the calendar year beginning on January 1, 2007, the calculation of a taxing~~
1238 ~~entity's certified tax rate shall be adjusted by the amount necessary to offset any change in the~~
1239 ~~certified tax rate that may result from excluding the following from the certified tax rate under~~
1240 ~~Subsection (2)(a) enacted by the Legislature during the 2007 General Session:]~~

1241 ~~[(i) personal property tax revenue:]~~

1242 ~~[(A) received by a taxing entity:]~~

1243 ~~[(B) assessed by a county assessor in accordance with Part 3, County Assessment; and]~~

1244 ~~[(C) for personal property that is semiconductor manufacturing equipment; or]~~

1245 ~~[(ii) the taxable value of personal property:]~~

1246 ~~[(A) contained on the tax rolls of a taxing entity:]~~

1247 ~~[(B) assessed by a county assessor in accordance with Part 3, County Assessment; and]~~

1248 ~~[(C) that is semiconductor manufacturing equipment.]~~

1249 ~~[(3)]~~ (5) (a) On or before June 22, each taxing entity shall annually adopt a tentative
1250 budget.

1251 (b) If the taxing entity intends to exceed the certified tax rate, it shall notify the county
1252 auditor of:

1253 (i) its intent to exceed the certified tax rate; and

1254 (ii) the amount by which it proposes to exceed the certified tax rate.

1255 (c) The county auditor shall notify all property owners of any intent to exceed the
1256 certified tax rate in accordance with Subsection 59-2-919~~[(2)]~~ (3).

1257 ~~[(4) (a) The taxable value for the base year under Subsection 17C-1-102(6) shall be~~
1258 ~~reduced for any year to the extent necessary to provide a community development and renewal~~
1259 ~~agency established under Title 17C, Limited Purpose Local Government Entities - Community~~
1260 ~~Development and Renewal Agencies, with approximately the same amount of money the~~
1261 ~~agency would have received without a reduction in the county's certified tax rate if:]~~

1262 ~~[(i) in that year there is a decrease in the certified tax rate under Subsection (2)(c) or~~
1263 ~~(2)(d)(i);]~~

1264 ~~[(ii) the amount of the decrease is more than 20% of the county's certified tax rate of~~
1265 ~~the previous year; and]~~

~~[(iii) the decrease results in a reduction of the amount to be paid to the agency under Section 17C-1-403 or 17C-1-404.]~~

~~[(b) The base taxable value under Subsection 17C-1-102(6) shall be increased in any year to the extent necessary to provide a community development and renewal agency with approximately the same amount of money as the agency would have received without an increase in the certified tax rate that year if:]~~

~~[(i) in that year the base taxable value under Subsection 17C-1-102(6) is reduced due to a decrease in the certified tax rate under Subsection (2)(c) or (2)(d)(i); and]~~

~~[(ii) The certified tax rate of a city, school district, local district, or special service district increases independent of the adjustment to the taxable value of the base year.]~~

~~[(c) Notwithstanding a decrease in the certified tax rate under Subsection (2)(c) or (2)(d)(i), the amount of money allocated and, when collected, paid each year to a community development and renewal agency established under Title 17C, Limited Purpose Local Government Entities - Community Development and Renewal Agencies, for the payment of bonds or other contract indebtedness, but not for administrative costs, may not be less than that amount would have been without a decrease in the certified tax rate under Subsection (2)(c) or (2)(d)(i).]~~

Section 30. Section **59-2-924.2** is enacted to read:

59-2-924.2. Adjustments to the calculation of a taxing entity's certified tax rate.

(1) For purposes of this section, "certified tax rate" means a certified tax rate calculated in accordance with Section 59-2-924.

(2) Beginning January 1, 1997, if a taxing entity receives increased revenues from uniform fees on tangible personal property under Section 59-2-404, 59-2-405, 59-2-405.1, 59-2-405.2, or 59-2-405.3 as a result of any county imposing a sales and use tax under Chapter 12, Part 11, County Option Sales and Use Tax, the taxing entity shall decrease its certified tax rate to offset the increased revenues.

(3) (a) Beginning July 1, 1997, if a county has imposed a sales and use tax under Chapter 12, Part 11, County Option Sales and Use Tax, the county's certified tax rate shall be:

(i) decreased on a one-time basis by the amount of the estimated sales and use tax revenue to be distributed to the county under Subsection 59-12-1102(3); and

(ii) increased by the amount necessary to offset the county's reduction in revenue from

1297 uniform fees on tangible personal property under Section 59-2-404, 59-2-405, 59-2-405.1,
1298 59-2-405.2, or 59-2-405.3 as a result of the decrease in the certified tax rate under Subsection
1299 (3)(a)(i).

1300 (b) The commission shall determine estimates of sales and use tax distributions for
1301 purposes of Subsection (3)(a).

1302 (4) Beginning January 1, 1998, if a municipality has imposed an additional resort
1303 communities sales tax under Section 59-12-402, the municipality's certified tax rate shall be
1304 decreased on a one-time basis by the amount necessary to offset the first 12 months of
1305 estimated revenue from the additional resort communities sales and use tax imposed under
1306 Section 59-12-402.

1307 (5) (a) This Subsection (5) applies to each county that:

1308 (i) establishes a countywide special service district under Title 17A, Chapter 2, Part 13,
1309 Utah Special Service District Act, to provide jail service, as provided in Subsection
1310 17A-2-1304(1)(a)(x); and

1311 (ii) levies a property tax on behalf of the special service district under Section
1312 17A-2-1322.

1313 (b) (i) The certified tax rate of each county to which this Subsection (5) applies shall be
1314 decreased by the amount necessary to reduce county revenues by the same amount of revenues
1315 that will be generated by the property tax imposed on behalf of the special service district.

1316 (ii) Each decrease under Subsection (5)(b)(i) shall occur contemporaneously with the
1317 levy on behalf of the special service district under Section 17A-2-1322.

1318 (6) (a) As used in this Subsection (6):

1319 (i) "Annexing county" means a county whose unincorporated area is included within a
1320 fire district by annexation.

1321 (ii) "Annexing municipality" means a municipality whose area is included within a fire
1322 district by annexation.

1323 (iii) "Equalized fire protection tax rate" means the tax rate that results from:

1324 (A) calculating, for each participating county and each participating municipality, the
1325 property tax revenue necessary to cover all of the costs associated with providing fire
1326 protection, paramedic, and emergency services:

1327 (I) for a participating county, in the unincorporated area of the county; and

1328 (II) for a participating municipality, in the municipality; and
1329 (B) adding all the amounts calculated under Subsection (6)(a)(iii)(A) for all
1330 participating counties and all participating municipalities and then dividing that sum by the
1331 aggregate taxable value of the property, as adjusted in accordance with Section 59-2-913:
1332 (I) for participating counties, in the unincorporated area of all participating counties;
1333 and
1334 (II) for participating municipalities, in all the participating municipalities.
1335 (iv) "Fire district" means a service area under Title 17B, Chapter 2a, Part 9, Service
1336 Area Act, in the creation of which an election was not required under Subsection
1337 17B-1-214(3)(c).
1338 (v) "Fire protection tax rate" means:
1339 (A) for an annexing county, the property tax rate that, when applied to taxable property
1340 in the unincorporated area of the county, generates enough property tax revenue to cover all the
1341 costs associated with providing fire protection, paramedic, and emergency services in the
1342 unincorporated area of the county; and
1343 (B) for an annexing municipality, the property tax rate that generates enough property
1344 tax revenue in the municipality to cover all the costs associated with providing fire protection,
1345 paramedic, and emergency services in the municipality.
1346 (vi) "Participating county" means a county whose unincorporated area is included
1347 within a fire district at the time of the creation of the fire district.
1348 (vii) "Participating municipality" means a municipality whose area is included within a
1349 fire district at the time of the creation of the fire district.
1350 (b) In the first year following creation of a fire district, the certified tax rate of each
1351 participating county and each participating municipality shall be decreased by the amount of
1352 the equalized fire protection tax rate.
1353 (c) In the first year following annexation to a fire district, the certified tax rate of each
1354 annexing county and each annexing municipality shall be decreased by the fire protection tax
1355 rate.
1356 (d) Each tax levied under this section by a fire district shall be considered to be levied
1357 by:
1358 (i) each participating county and each annexing county for purposes of the county's tax

1359 limitation under Section 59-2-908; and

1360 (ii) each participating municipality and each annexing municipality for purposes of the
1361 municipality's tax limitation under Section 10-5-112, for a town, or Section 10-6-133, for a
1362 city.

1363 (7) For the calendar year beginning on January 1, 2007, the calculation of a taxing
1364 entity's certified tax rate, calculated in accordance with Section 59-2-924, shall be adjusted by
1365 the amount necessary to offset any change in the certified tax rate that may result from
1366 excluding the following from the certified tax rate under Subsection 59-2-924(3) enacted by the
1367 Legislature during the 2007 General Session:

1368 (a) personal property tax revenue:

1369 (i) received by a taxing entity;

1370 (ii) assessed by a county assessor in accordance with Part 3, County Assessment; and

1371 (iii) for personal property that is semiconductor manufacturing equipment; or

1372 (b) the taxable value of personal property:

1373 (i) contained on the tax rolls of a taxing entity;

1374 (ii) assessed by a county assessor in accordance with Part 3, County Assessment; and

1375 (iii) that is semiconductor manufacturing equipment.

1376 (8) (a) The taxable value for the base year under Subsection 17C-1-102(6) shall be
1377 reduced for any year to the extent necessary to provide a community development and renewal
1378 agency established under Title 17C, Limited Purpose Local Government Entities - Community
1379 Development and Renewal Agencies, with approximately the same amount of money the
1380 agency would have received without a reduction in the county's certified tax rate, calculated in
1381 accordance with Section 59-2-924, if:

1382 (i) in that year there is a decrease in the certified tax rate under Subsection (2) or (3)(a);

1383 (ii) the amount of the decrease is more than 20% of the county's certified tax rate of the
1384 previous year; and

1385 (iii) the decrease results in a reduction of the amount to be paid to the agency under
1386 Section 17C-1-403 or 17C-1-404.

1387 (b) The base taxable value under Subsection 17C-1-102(6) shall be increased in any
1388 year to the extent necessary to provide a community development and renewal agency with
1389 approximately the same amount of money as the agency would have received without an

1390 increase in the certified tax rate that year if:

1391 (i) in that year the base taxable value under Subsection 17C-1-102(6) is reduced due to
1392 a decrease in the certified tax rate under Subsection (2) or (3)(a); and

1393 (ii) the certified tax rate of a city, school district, local district, or special service
1394 district increases independent of the adjustment to the taxable value of the base year.

1395 (c) Notwithstanding a decrease in the certified tax rate under Subsection (2) or (3)(a),
1396 the amount of money allocated and, when collected, paid each year to a community
1397 development and renewal agency established under Title 17C, Limited Purpose Local
1398 Government Entities - Community Development and Renewal Agencies, for the payment of
1399 bonds or other contract indebtedness, but not for administrative costs, may not be less than that
1400 amount would have been without a decrease in the certified tax rate under Subsection (2) or
1401 (3)(a).

1402 Section 31. Section **59-2-924.3** is enacted to read:

1403 **59-2-924.3. Adjustment of the calculation of the certified tax rate for a school**
1404 **district imposing a basic capital outlay levy.**

1405 (1) As used in this section:

1406 (a) "Capital outlay increment" means the amount of revenue equal to the difference
1407 between:

1408 (i) the amount of revenue generated by the basic capital outlay levy of .000727 per
1409 dollar of taxable value within a school district during a fiscal year; and

1410 (ii) the amount of revenue the school district received during the same fiscal year from
1411 the distribution described in Section 53A-21-402.

1412 (b) "Combined capital levy rate" means a rate that includes the sum of the following
1413 property tax levies:

1414 (i) the capital outlay levy authorized in Section 53A-16-107;

1415 (ii) the portion of the 10% of basic levy described in Section 53A-17a-145 that is
1416 budgeted for debt service or capital outlay;

1417 (iii) the debt service levy authorized in Section 11-14-103;

1418 (iv) the voted capital outlay leeway authorized in Section 53A-16-110; and

1419 (v) the basic capital outlay levy imposed under Section 53A-21-403.

1420 (c) "Contributing school district" means a school district that in a fiscal year receives

less revenue from the distribution described in Section 53A-21-402 than it would have received during the same fiscal year from a levy imposed within the school district of .000727 per dollar of taxable value.

(d) "Receiving school district" means a school district that in a fiscal year receives more revenue from the distribution described in Section 53A-16-402 than it would have received during the same fiscal year from a levy imposed within the school district of .000727 per dollar of taxable value.

(2) For fiscal year 2009-10, a receiving school district shall decrease its combined capital outlay certified tax rate calculated in accordance with Section 53A-21-404 by an amount required to offset the receiving school district's estimated capital outlay increment for the current fiscal year.

(3) Beginning with fiscal year 2010-11, a receiving school district shall decrease its combined capital outlay certified tax rate under Section 53A-21-404 by the amount required to offset the receiving school district's capital outlay increment for the prior fiscal year.

(4) For fiscal year 2009-10, a contributing school district is exempt from the public notice and hearing requirements of Sections 59-2-918 and 59-2-919 for the school district's combined capital outlay levy certified tax rate calculated pursuant to Section 53A-21-404 if:

(a) the contributing school district budgets an increased amount of ad valorem property tax revenue exclusive of new growth as defined in Subsection 59-2-924(4) for the combined capital outlay levy described in Section 53A-21-403; and

(b) the increased amount of ad valorem property tax revenue described in Subsection (4)(a) is less than or equal to that contributing school district's estimated capital outlay increment for the current fiscal year.

(5) Beginning with fiscal year 2010-11, a contributing school district is exempt from the public notice and hearing requirements of Sections 59-2-918 and 59-2-919 for the school district's combined capital outlay levy certified tax rate calculated pursuant to Section 53A-21-404 if:

(a) the contributing school district budgets an increased amount of ad valorem property tax revenue exclusive of new growth as defined in Subsection 59-2-924(4) for the combined capital outlay levy described in Section 53A-21-403; and

(b) the increased amount of ad valorem property tax revenue described in Subsection

1452 (5)(a) is less than or equal to that contributing school district's capital outlay increment for the
1453 prior year.

1454 (6) Beginning with fiscal year 2011-12, a contributing school district is exempt from
1455 the public notice and hearing requirements of Sections 59-2-918 and 59-2-919 for the school
1456 district's combined capital outlay levy certified tax rate calculated pursuant to Section
1457 59-21-404 if:

1458 (a) the contributing school district budgets an increased amount of ad valorem property
1459 tax revenue exclusive of new growth as defined in Subsection 59-2-924(4) for the capital
1460 outlay levy described in Section 53A-21-403; and

1461 (b) the increased amount of ad valorem property tax revenue described in Subsection
1462 (6)(a) is less than or equal to the difference between:

1463 (i) the amount of revenue generated by the basic capital outlay levy of .000727 per
1464 dollar of taxable value imposed within the contributing school district during the current
1465 taxable year; and

1466 (ii) the amount of revenue generated by the basic capital outlay levy of .000727 per
1467 dollar of taxable value imposed within the contributing school district during the prior taxable
1468 year.

1469 Section 32. Section **59-2-1330** is amended to read:

1470 **59-2-1330. Payment of property taxes -- Payments to taxpayer by state or taxing**
1471 **entity -- Refund of penalties paid by taxpayer -- Refund of interest paid by taxpayer --**
1472 **Payment of interest to taxpayer -- Judgment levy -- Objections to assessments by the**
1473 **commission -- Time periods for making payments to taxpayer.**

1474 (1) Unless otherwise specifically provided by statute, property taxes shall be paid
1475 directly to the county assessor or the county treasurer:

1476 (a) on the date that the property taxes are due; and

1477 (b) as provided in this chapter.

1478 (2) A taxpayer shall receive payment as provided in this section if a reduction in the
1479 amount of any tax levied against any property for which the taxpayer paid a tax or any portion
1480 of a tax under this chapter for a calendar year is required by a final and unappealable judgment
1481 or order described in Subsection (3) issued by:

1482 (a) a county board of equalization;

1483 (b) the commission; or
1484 (c) a court of competent jurisdiction.

1485 (3) (a) For purposes of Subsection (2), the state or any taxing entity that has received
1486 property taxes or any portion of property taxes from a taxpayer described in Subsection (2)
1487 shall pay the taxpayer if:

1488 (i) the taxes the taxpayer paid in accordance with Subsection (2) are collected by an
1489 authorized officer of the:

1490 (A) county; or
1491 (B) state;

1492 (ii) the taxpayer obtains a final and unappealable judgment or order:

1493 (A) from:
1494 (I) a county board of equalization;
1495 (II) the commission; or
1496 (III) a court of competent jurisdiction;

1497 (B) against:
1498 (I) the taxing entity or an authorized officer of the taxing entity; or
1499 (II) the state or an authorized officer of the state; and
1500 (C) ordering a reduction in the amount of any tax levied against any property for which
1501 a taxpayer paid a tax or any portion of a tax under this chapter for the calendar year.

1502 (b) The amount that the state or a taxing entity shall pay a taxpayer shall be determined
1503 in accordance with Subsections (4) through (7).

1504 (4) For purposes of Subsections (2) and (3), the amount the state shall pay to a taxpayer
1505 is equal to the sum of:

1506 (a) if the difference described in this Subsection (4)(a) is greater than \$0, the difference
1507 between:

1508 (i) the tax the taxpayer paid to the state in accordance with Subsection (2); and
1509 (ii) the amount of the taxpayer's tax liability to the state after the reduction in the
1510 amount of tax levied against the property in accordance with the final and unappealable
1511 judgment or order described in Subsection (3);

1512 (b) if the difference described in this Subsection (4)(b) is greater than \$0, the difference
1513 between:

1514 (i) any penalties the taxpayer paid to the state in accordance with Section 59-2-1331;
1515 and
1516 (ii) the amount of penalties the taxpayer is liable to pay to the state in accordance with
1517 Section 59-2-1331 after the reduction in the amount of tax levied against the property in
1518 accordance with the final and unappealable judgment or order described in Subsection (3);
1519 (c) as provided in Subsection (6)(a), interest the taxpayer paid in accordance with
1520 Section 59-2-1331 on the amounts described in Subsections (4)(a) and (4)(b); and
1521 (d) as provided in Subsection (6)(b), interest on the sum of the amounts described in:
1522 (i) Subsection (4)(a);
1523 (ii) Subsection (4)(b); and
1524 (iii) Subsection (4)(c).
1525 (5) For purposes of Subsections (2) and (3), the amount a taxing entity shall pay to a
1526 taxpayer is equal to the sum of:
1527 (a) if the difference described in this Subsection (5)(a) is greater than \$0, the difference
1528 between:
1529 (i) the tax the taxpayer paid to the taxing entity in accordance with Subsection (2); and
1530 (ii) the amount of the taxpayer's tax liability to the taxing entity after the reduction in
1531 the amount of tax levied against the property in accordance with the final and unappealable
1532 judgment or order described in Subsection (3);
1533 (b) if the difference described in this Subsection (5)(b) is greater than \$0, the difference
1534 between:
1535 (i) any penalties the taxpayer paid to the taxing entity in accordance with Section
1536 59-2-1331; and
1537 (ii) the amount of penalties the taxpayer is liable to pay to the taxing entity in
1538 accordance with Section 59-2-1331 after the reduction in the amount of tax levied against the
1539 property in accordance with the final and unappealable judgment or order described in
1540 Subsection (3); and
1541 (c) as provided in Subsection (6)(a), interest the taxpayer paid in accordance with
1542 Section 59-2-1331 on the amounts described in Subsections (5)(a) and (5)(b); and
1543 (d) as provided in Subsection (6)(b), interest on the sum of the amounts described in:
1544 (i) Subsection (5)(a);

1545 (ii) Subsection (5)(b); and
1546 (iii) Subsection (5)(c).
1547 (6) Except as provided in Subsection (7):
1548 (a) interest shall be refunded to a taxpayer on the amount described in Subsection
1549 (4)(c) or (5)(c) in an amount equal to the amount of interest the taxpayer paid in accordance
1550 with Section 59-2-1331; and
1551 (b) interest shall be paid to a taxpayer on the amount described in Subsection (4)(d) or
1552 (5)(d):
1553 (i) beginning on the later of:
1554 (A) the day on which the taxpayer paid the tax in accordance with Subsection (2); or
1555 (B) January 1 of the calendar year immediately following the calendar year for which
1556 the tax was due;
1557 (ii) ending on the day on which the state or a taxing entity pays to the taxpayer the
1558 amount required by Subsection (4) or (5); and
1559 (iii) at the interest rate earned by the state treasurer on public funds transferred to the
1560 state treasurer in accordance with Section 51-7-5.
1561 (7) Notwithstanding Subsection (6):
1562 (a) the state may not pay or refund interest to a taxpayer under Subsection (6) on any
1563 tax the taxpayer paid in accordance with Subsection (2) that exceeds the amount of tax levied
1564 by the state for that calendar year as stated on the notice required by Section 59-2-1317; and
1565 (b) a taxing entity may not pay or refund interest to a taxpayer under Subsection (6) on
1566 any tax the taxpayer paid in accordance with Subsection (2) that exceeds the amount of tax
1567 levied by the taxing entity for that calendar year as stated on the notice required by Section
1568 59-2-1317.
1569 (8) (a) Each taxing entity may levy a tax to pay its share of the final and unappealable
1570 judgment or order described in Subsection (3) if:
1571 (i) the final and unappealable judgment or order is issued no later than 15 days prior to
1572 the date the levy is set under Subsection 59-2-924[(2)] (3)(a);
1573 (ii) the amount of the judgment levy is included on the notice under Section 59-2-919;
1574 and
1575 (iii) the final and unappealable judgment or order is an eligible judgment, as defined in

1576 Section 59-2-102.

1577 (b) The levy under Subsection (8)(a) is in addition to, and exempt from, the maximum
1578 levy established for the taxing entity.

1579 (9) (a) A taxpayer that objects to the assessment of property assessed by the
1580 commission shall pay, on or before the date of delinquency established under Subsection
1581 59-2-1331(1) or Section 59-2-1332, the full amount of taxes stated on the notice required by
1582 Section 59-2-1317 if:

1583 (i) the taxpayer has applied to the commission for a hearing in accordance with Section
1584 59-2-1007 on the objection to the assessment; and

1585 (ii) the commission has not issued a written decision on the objection to the assessment
1586 in accordance with Section 59-2-1007.

1587 (b) A taxpayer that pays the full amount of taxes due under Subsection (9)(a) is not
1588 required to pay penalties or interest on an assessment described in Subsection (9)(a) unless:

1589 (i) a final and unappealable judgment or order establishing that the property described
1590 in Subsection (9)(a) has a value greater than the value stated on the notice required by Section
1591 59-2-1317 is issued by:

1592 (A) the commission; or

1593 (B) a court of competent jurisdiction; and

1594 (ii) the taxpayer fails to pay the additional tax liability resulting from the final and
1595 unappealable judgment or order described in Subsection (9)(b)(i) within a 45-day period after
1596 the county bills the taxpayer for the additional tax liability.

1597 (10) (a) Except as provided in Subsection (10)(b), a payment that is required by this
1598 section shall be paid to a taxpayer:

1599 (i) within 60 days after the day on which the final and unappealable judgment or order
1600 is issued in accordance with Subsection (3); or

1601 (ii) if a judgment levy is imposed in accordance with Subsection (8):

1602 (A) if the payment to the taxpayer required by this section is \$5,000 or more, no later
1603 than December 31 of the year in which the judgment levy is imposed; and

1604 (B) if the payment to the taxpayer required by this section is less than \$5,000, within
1605 60 days after the date the final and unappealable judgment or order is issued in accordance with
1606 Subsection (3).

1607 (b) Notwithstanding Subsection (10)(a), a taxpayer may enter into an agreement:

1608 (i) that establishes a time period other than a time period described in Subsection

1609 (10)(a) for making a payment to the taxpayer that is required by this section; and

1610 (ii) with:

1611 (A) an authorized officer of a taxing entity for a tax imposed by a taxing entity; or

1612 (B) an authorized officer of the state for a tax imposed by the state.

1613 **Section 33. Repealer.**

1614 This bill repeals:

1615 Section **53A-21-103, Qualifications for participation in the foundation program --**

1616 **Distribution of monies -- Distribution formulas.**

1617 Section **53A-21-103.5, Qualifications for participation in the Enrollment Growth**

1618 **Program -- State Board of Education rules -- Distribution formula.**

1619 Section 34. **Appropriation.**

1620 In addition to the amounts appropriated in Section 53A-21-501, there is appropriated

1621 from the Uniform School Fund for fiscal year 2008-09 only:

1622 (1) \$7,500,000 to the State Board of Education for the Capital Outlay Foundation

1623 Program for allocation pursuant to Section 53A-21-202; and

1624 (2) \$7,500,000 to the State Board of Education for the Capital Outlay Enrollment

1625 Growth Program for allocation pursuant to Section 53A-21-302.

1626 Section 35. **Effective date.**

1627 This bill takes effect on July 1, 2008.

1628 Section 36. **Coordinating S.B. 48 with H.B. 1 -- Superseding amendments.**

1629 If this S.B. 48 and H.B. 1, Minimum School Program Base Budget Amendments, both

1630 pass, it is the intent of the Legislature that the amendments to Section 53A-21-501, renumbered

1631 from Section 53A-21-105, in this bill supersede the amendments to Section 53A-21-105 in

1632 H.B. 1 when the Office of Legislative Research and General Counsel prepares the Utah Code

1633 database for publication.